

# Finsolnet

## Finsolnet CPI + 6% Portfolio

December 14

### INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 6% over a rolling 60-month period and not to lose capital over a rolling 36-month period.

### INVESTMENT VEHICLE

Fund: Sygnia CPI + 6% Portfolio  
Fund Category: South African - Multi Asset - High Equity

### MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 0.94% as at 30 September 2014

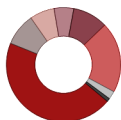
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	8.7%	15.8%
Downside Deviation	5.9%	9.8%
% Positive Months	71.3%	65.4%
% Negative Months	28.7%	34.6%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.5%	-3.2%
Maximum Drawdown	-20.8%	-40.4%

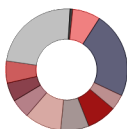
\*Risk statistics are calculated since inception of the strategy

### ASSET ALLOCATION



Domestic Equities - 45.0%	Domestic Bonds - 9.2%
Domestic Property - 7.0%	Domestic Money Market - 5.6%
Absolute Return - 9.9%	Int Equities - 20.1%
Int Fixed Interest - 2.3%	Africa - 0.9%

### MANAGER HOLDINGS



36ONE - 7.9%	Bateleur - 7.5%	Coronation - 9.8%
Investec - 5.1%	Prudential - 5.0%	Steyn Capital - 5.9%
Sygnia - 23.6%	Taquanta - 0.7%	Visio - 7.4%
International - 22.9%	Cash - 4.1%	

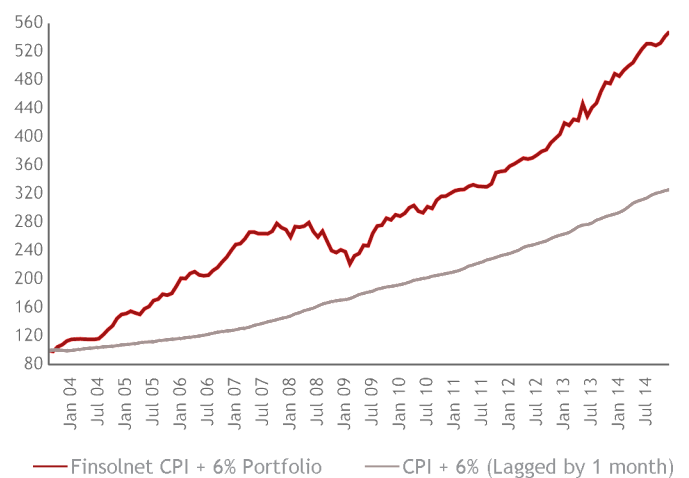
### TOP 10 EQUITY HOLDINGS

	VALUE
Naspers	4.3%
MTN Group	2.3%
Growthpoint Properties	1.8%
British American Tobacco	1.8%
Firststrand Limited	1.7%
Sasol	1.6%
Steinhoff	1.5%
SAB Miller	1.5%
Redefine Properties	1.3%
Old Mutual Plc	1.2%

### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	1.3%	0.5%	0.8%
3 month	3.7%	1.6%	2.1%
6 month	4.6%	4.6%	0.1%
Year to date	12.1%	11.8%	0.3%
1 year	12.1%	11.8%	0.3%
2 year	16.5%	11.6%	4.9%
3 year	15.9%	11.6%	4.3%
5 year	13.5%	11.3%	2.2%
10 year	13.8%	11.7%	2.1%
Since Inception	16.2%	11.0%	5.2%
2009	20.4%	11.8%	8.6%
2010	10.3%	9.6%	0.8%
2011	9.9%	12.1%	-2.3%
2012	14.6%	11.6%	3.0%
2013	21.1%	11.3%	9.7%
2014	12.1%	11.8%	0.3%

### CUMULATIVE PERFORMANCE



## FUND SENSIVITY TO EQUITY MARKET



## COMMENTARY

The global economy ended the year on a fragile note, with weakening manufacturing activity in China and the eurozone, a collapsing ruble threatening Russia's financial stability, a fresh political crisis in Greece resurrecting the spectre of the country exiting the euro, and Japan and France facing credit rating downgrades. 2014 was also a terrible year for commodities with prices falling the most since the 2008 global financial crisis on the back of a sinking oil price and a strong US dollar.

The tumbling oil price has translated into lower inflation for most parts of the world. This includes the eurozone where inflation slipped to 0.3% year-on-year in November, piling pressure on the ECB to introduce further quantitative easing measures. A lower oil price has also triggered a fully fledged currency crisis in Russia where the ruble has fallen by 40% relative to the US dollar in 2014.

In Greece, Prime Minister Antonis Samaras called an election after failing to secure a parliamentary victory for his presidential candidate. The victory is expected to go to the leftist anti-austerity Syriza party, a fierce opponent of Greece's bail-out deal with the EU and the IMF. Against this background the US has once again reasserted its position as the engine of the world's growth.

Its third quarter GDP growth number was revised up to an annualised 5%, the highest level since 2003, the unemployment rate stayed at 5.8% and inflation fell to a nine-month low of 1.4% relative to a year ago.

Domestically, the rand fell to a six-year low against the US dollar, a victim of global events and weak domestic economic fundamentals, including the impact of electricity cuts. On a positive note South Africa avoided the widely expected credit rating downgrades by Fitch and S&P, although both agencies expressed concerns about growth. The Kagiso manufacturing PMI for November rose to its best level since 2013 at 53.3, retail sales strengthened by 3.4% in October compared to a year ago and consumer inflation slowed to 5.8% year-on-year.

The FTSE/JSE All Share Index fell by 0.2% in December, dragged down by the Resources sector which retreated by 5.2%. The Industrial sector delivered 1.1%, while the Financial sector rose by 0.2%. The BESA All Bond Index returned -1.6% as sentiment towards emerging markets turned bearish, while the rand weakened by 3.7% relative to the US dollar.

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2010	-0.7%	1.4%	2.7%	1.1%	-2.7%	-0.8%	2.9%	-0.8%	3.9%	1.7%	0.1%	1.2%	10.3%
2011	1.2%	0.4%	0.1%	1.3%	0.7%	-0.6%	-0.1%	-0.1%	1.3%	4.7%	0.5%	0.2%	9.9%
2012	1.9%	0.9%	1.1%	1.1%	-0.3%	0.5%	1.1%	1.3%	0.6%	2.6%	1.5%	1.5%	14.6%
2013	3.9%	-0.8%	2.0%	-0.4%	5.6%	-3.9%	2.8%	1.5%	3.7%	2.7%	-0.4%	2.9%	21.1%
2014	-0.7%	1.7%	1.2%	1.0%	2.0%	1.8%	1.4%	0.0%	-0.5%	0.6%	1.7%	1.3%	12.1%

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